



NEW OPPORTUNITIES FOR INTERNATIONAL ASSISTANCE IN AFGHANISTAN

Afghanistan has experienced a protracted conflict for almost thirty-five years that hindered its development. Furthermore, over the past five years the country has seen the rise of the armed non-state actors who keep challenging the territorial control of the Government. Since the withdrawal of the NATO-led International Security Assistance Forces (ISAF) in 2014, the Afghan authorities have been facing reinforced Taliban terrorist movement that intensified attacks on the northern provinces of the country near the border with the Central Asian republics. As of today, NATO's Resolute Support Mission in Afghanistan, which is ISAF's successor, plans to continue its mandate well after 2016 in order to finalize the transfer of security responsibility to the Afghan National Defence and Security Forces (ANDSF).

The overarching goal that the international community aims to achieve is to make Afghanistan increase its economic growth, to build more effective and accountable governance and to improve public finance management. Therefore, the first donor conference held in Tokyo in January 2002 produced pledges of \$5.2 billion in non-military aid over five years, against the urgent preliminary needs assessment of over \$14 billion. In April 2004, the Berlin Conference resulted in \$8.2 billion pledged against the seven-year, moreover, \$27.5 billion plan was laid out in "Securing Afghanistan's Future", which was a major fundraising document presented by the Afghan Government. During the London Conference held in January 2006, donors agreed to pledge \$10.4 billion tied to the five-year plan laid out in the Afghanistan National Development Strategy (ANDS). In June 2008, at the Paris Conference, the international community pledged an additional \$21 billion to Afghanistan. In July 2012, Afghanistan's donors pledged \$16 billion for the country's economy and for other development needs at another international conference in Tokyo. Finally, as a result of the Brussels Conference held in October 2016, international donors agreed to pledge \$15.2 billion to Afghanistan for four-year period.

Actually, during the Brussels Conference attended by over 70 countries and 30 international organizations and agencies, the President of Afghanistan, Mohammad Ashraf Ghani, and the Afghan Chief Executive, Abdullah Abdullah, presented its new five-year strategy, titled the Afghanistan National Peace and Development Framework

(ANPDF) that is to replace the ANDS expired in 2013. Additionally, five new National Priority Programs (NPPs), namely, the Citizens Charter Program, the National Women's Economic Empowerment Program, the National Urban Development Program, the National Infrastructure Plan and the National Comprehensive Agriculture Development, were presented during the conference, as well as a set of specific commitments for six NPPs that have already been ongoing. Moreover, the Afghan government presented a report on the Self-Reliance through Mutual Accountability Framework benchmarks (SMAF) adopted in Kabul in September 2015, which includes short-term deliverables that measure the progress of the reform and the development partnership agenda.

Therefore, the Afghan government could manage to secure new funding pledges until 2020 and the level of the assistance is expected around \$3 billion annually, which is close to the level of annual assistance that the international community promised at the last Afghanistan conference in Tokyo in 2012 (around \$3.9 billion per year).

Apart from general donors, there are also few organisations and agencies involved in providing predominantly humanitarian assistance to the country. The European Commission's Humanitarian Aid and Civil Protection department (ECHO) has been supporting Afghanistan since 1994. Funds are allocated on the basis of neutrality. In total, the ECHO allocated €720 million to provide basic needs of the Afghan population. The United Nations' Office for the Coordination of Human Affairs (OCHA) resumed its humanitarian assistance in Afghanistan starting from 2009. According to the OCHA, as of June 30, 2016, humanitarian aid was delivered to 2.1 million people in 2016. This year the OCHA requires the donors, mainly Canada, the European Commission, Germany, Norway, Sweden, the UK and the U.S. to contribute \$9.7 million. The United States Agency for International Development (USAID) allocated almost \$70.5 million for the humanitarian needs in 2016. Additionally, in 2016, USAID's Office of U.S. Foreign Disaster Assistance contributed nearly \$40 million to help vulnerable population, including internally displaced people within Afghanistan, as well as Afghan refugees in Pakistan.

There are also a number of national assistance programs. For instance, following international donor conferences, Kazakhstan provided up

to \$1 million in 2006-2009, as well as 100 scholarships for Afghan students to study at the national universities and other training programs. According to the Governmental Action Plan on Assistance to Afghanistan for 2009-2011, Astana has also allocated \$5 million for infrastructure development and water supply programs. In 2016-2017, the Australian Government is to provide \$82.7 million to Afghanistan within the framework of the Official Development Assistance (ODA). Overall, since 2001 Australia has provided more than \$1.1 billion in bilateral funding to the country managed by ODA. Lately, India committed to provide Afghanistan \$1 billion of economic aid after the Afghan President, Ashraf Ghani, met with the Indian Prime Minister, Narendra Modi, during his state visit to New Delhi in September 2016. As one of the largest bilateral donors in Afghanistan, India has poured more than \$2 billion into the country since 2001.

However, it should be concluded that despite significant international support, the international community has developed a wide range of reservations regarding the progress Afghanistan is making towards building democratic institutions, good governance reforms, introduction of the rule of law and human rights. Still, the EU acknowledged small scale of progress in terms of human development, such as improved women rights, anti-corruption measures and revenue collection. Today, Afghanistan is deeply dependent upon foreign funding with over 90% of its national budget coming from the foreign aid. Still, Afghanistan is ranked 175 out of 186 in the global Human Development Index. In 2015, Transparency International ranked Afghanistan 166 out of 167 on its Corruption Perceptions Index. The World Bank's Ease of Doing Business Report ranked Afghanistan 177 out of 189 economies in 2016.

Therefore, the country remains largely fragile facing numerous political, security and economic challenges. Currently, the World Bank estimates that Afghanistan has to stay connected to foreign assistance lifeline up until 2030 and perhaps even beyond. From his part, Kabul well understands that it would most likely need reliable partners and donors to fund further endeavors and to fully commit to deliver the required financial aid realizing its aims of development in political, economic and social spheres in the near future.

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Politics, Foreign Affairs and Security

- The Parliament of Kyrgyzstan approved the draft law on scheduling the referendum on amending the Constitution for December 11, 2016. The President of the country, Almazbek Atambayev, signed the law.
- During his official visit to Sochi, the President of Turkmenistan, Gurbanguly Berdimuhamedov, and his Russian counterpart, Vladimir Putin, discussed the key topics of bilateral cooperation. The parties also exchanged views on further improvement of the trade turnover, especially, after Russia stopped imports of the Turkmen natural gas in January 2016.
- During his official visit to Tashkent, the Minister of State for External Affairs of India, Mubashir Javed Akbar, and the Foreign Minister of Uzbekistan, Abdulaziz Kamilov, discussed topical issues of the two countries' bilateral relations in political and diplomatic, trade and economic and other spheres. The parties focused on implementation of the agreements reached during the recent official visit of the Prime Minister of India, Narendra Modi, to Uzbekistan in June 2016.
- During the 12th Plenary Session of Uzbekistan – EU Parliamentary Cooperation Committee, the Minister of Foreign Affairs of Uzbekistan, Abdulaziz Kamilov, and the Chair of the Delegation of the European Parliament for Cooperation with the countries of Central Asia and Mongolia, Iveta Grigule, discussed prospects for strengthening the interparliamentary cooperation.
- During the 15th meeting of the Council of Shanghai Cooperation Organization Heads of Government in Bishkek, the member countries signed 12 documents on cooperation. In particular, a Joint Communiqué of the SCO Heads of Government was signed. In addition, the countries signed a decree on the SCO budget for 2017, a list of actions for further development of the project activities within the SCO in 2017-2021, a decree on further work aimed at the creation of the SCO Development Bank and Development Fund.
- During his official visit to Moscow, the Chief of the General Staff of Turkey, Hulusi Akar, and his Russian counterpart, Valery Gerasimov, discussed the issues of coordinating efforts between the two countries to find the settlement of the Syrian conflict.
- The Ambassador of Hungary to Azerbaijan, Imre Laszloczki, stated that the Hungarian Embassy in Baku would operate as a NATO Liaison Office in 2017-2018 taking over the responsibilities of the Romanian Embassy.

Economy, Finance and Energy

- The Oil and Gas Complex of Turkmenistan announced that new natural gas

reserves were found at the Halkabat site in the eastern Turkmenistan. After drilling an exploration well, a commercial inflow of gas was obtained at a depth of 3,070-3,064 meters.

- The Vice-President for Strategic Development of Azerbaijan's state oil company SOCAR, Tofiq Gahramanov, reported that the modernization cost of the Heydar Aliyev Baku Oil Refinery would amount to nearly \$1.5-1.7 billion. It was also stated that the construction work on the territory of the oil refinery would commence in March 2017.
- The Chairman of the Kazakh National Oil and Gas Company KazMunaiGas, Sauat Mynbayev, announced about the company's plans to liquidate some of its subsidiaries and take its functions. It was stated that KazMunaiGas - Refining and Marketing and KazTransGas would be liquidated in 2016 and 2017 respectively. It was noted that subsidiaries of KazTransGas, namely, Inter-Gaz Central Asia and KazTransGas Aimak, would fall under direct control of KazMunaiGas.
- According to the Vice-President for Oil and Gas Transportation and Gas Facilities of SOCAR, Rahman Gurbanov, the output from Azerbaijan's major gas field, Shah Deniz, in the Caspian Sea rose by 10% in January-September 2016. It was noted that in order to meet the domestic needs, Azerbaijan purchased 2.64 billion cubic meters of Shah Deniz's gas, which accounts for 32.9% of the total gas sold from the Caspian gas field.
- According to the Director of International Affairs Department at the National Iranian Oil Company, Mohsen Ghamsari, the oil supplies from Iran to Europe reached 700,000 barrels per day, while Iran's average daily crude exports reached 2.44 million barrels in October 2016.
- During the Session of the Intergovernmental Commission, which was held in the format of Kazakhstan-Japanese Business-Forum organized on the sidelines of the official visit of the President of Kazakhstan, Nursultan Nazarbayev, to Japan, the parties signed 13 commercial agreements amounted to \$1.2 billion in chemistry, innovation technologies, energy, finance, production of construction materials, tourism and trade. Moreover, the Japanese side agreed to finance strategic investment projects in Kazakhstan, namely, terephthalic acid and polyethylene terephthalate plant in Atyrau, Wind Power Station in Mangystau region, joint use of neutron irradiation and production of radioisotopes.
- The European Bank for Reconstruction and Development (EBRD) announced that the GDP growth in 2017 for most Central Asian countries has been increased compared to the previous forecasts. It was also noted that the EBRD

expects 2.4% growth in Kazakhstan in 2017 (versus 0.7% in 2016), 2.6% growth in Kyrgyzstan (1.6% in 2016) and 7.1% in Turkmenistan (versus 6.5% in 2016). The GDP growth of Tajikistan is expected to decrease next year to 4.1% (versus 4.5% in 2016), while the growth in Uzbekistan will decrease to 6.2% (6.5% in 2016).

- During the visit of the Azerbaijani delegation to Atyrau, the Ambassador of Azerbaijan to Kazakhstan, Rashad Mammadov, and the Head of Kazakhstan's Atyrau region, Nurlan Nogayev, discussed opportunities to develop trade and economic ties between the two countries.
- The Uzbekistani state-owned Railways Company, Uzbekistan Temir Yollari, announced that the company passenger transportation grew by 1.28% year-on-year basis to 15.8 million passengers in January-September 2016. The volume of cargo turnover made up 13.68 billion tons/km. Uzbekistan Temir Yollari provided export services for \$257.7 million in nine months of 2016, which is 5.2% increase year-on-year.
- The Russia's State Duma adopted budget amendments for 2016. The amended federal budget implies revenues of around 13.4 trillion rubles (\$210.9 billion) versus 13.738 trillion rubles (\$216.2 billion) adopted previously. Budget expenditures would increase by 304.3 billion rubles (\$19.3 billion) to 16.4 trillion rubles (\$258.2 billion). The draft amendments imply an increase of budget deficit from 2.3 trillion rubles (\$36.2 billion) to 3 trillion rubles (\$47.2 billion), or 3.7% of GDP.

Society and Culture

- The Mayor of Moscow, Sergey Sobyanin, announced that the Government of Moscow adopted a resolution to name after the First President of Uzbekistan, Islam Karimov to a square in Yakimanka district in the center of Moscow. It was noted that the square is located near Consulate and Guesthouse of Uzbekistan in Moscow.
- The Prime Minister of Russia, Dmitry Medvedev, issued an instruction to allocate \$35.95 million in budget funds to ensure citizens to have access to medicine to fight HIV, hepatitis B and C. The funds will be earmarked for Russia's Ministry of Health as stipulated by the federal budget for 2016.
- A court in Kazakhstan has taken a rare step of handing down a death sentence on the man who was found guilty for shooting and killing 8 policemen and 2 civilians in Almaty. The sentence is particularly remarkable as the death penalty is formally subject to a moratorium, which passed in 2004.